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Welcome to the Roaring Eighties, where you are what you own. Here's how the new obsession is replacing old values and affecting everyone.

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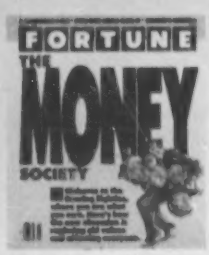

Artist Edward Sorel drew the cover subject obsessed with excess. *See the story on page 26.*

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shares in secret. To give shareholders and managements a clearer picture of who is buying stock and why, Proxmire wants to cut the reporting threshold to 3% and the disclosure period to the next business day.

Top corporate executives won't have their own way entirely. Proxmire's bill restricts some of management's favorite defensive tactics. While a tender offer is pending, executives would not be able to introduce poison pills to make their companies less attractive or golden parachutes to protect themselves unless they get a special exemption from the SEC. And without shareholder approval, companies could not pay greenmail to a raider who has held the stock for less than six months.

PAUL PETERS

The principled Leon Sullivan imploring business to quit South Africa

Goodbye to the Sullivan Principles

■ The exodus of U.S. companies from South Africa is almost certain to accelerate. Leon Sullivan, the Baptist minister and General Motors board member who established the Sullivan Principles for guiding business conduct in the land of apartheid, has stopped encouraging compliance with his rules. Disgusted with the intransigence of South Africa's racist regime and the failure of businesses to catalyze change, he's calling on U.S. corporations to fold their tents.

Business leaned heavily on the guidelines, such as promoting blacks into management. Sullivan's seal of approval helped companies justify staying in South Africa despite enormous pressures to withdraw. Though Sullivan says otherwise, the code probably can't work without him. Corporations would be suspect if they judged compliance with it themselves, and they will be hard pressed to find a replacement as respected and dedicated as the man who wrote the rulebook.

Congress will revisit the issue of sanctions against South Africa this fall when the strictures it passed last year come up for review. Sullivan's pullout, coupled with the advent of the 1988 presidential elections, should strengthen the push for stronger anti-apartheid legislation. Many state and local governments already restrict or flatly prohibit their agencies from buying the products of companies that do business in South Africa.

Debt watch

■ Last May **Citicorp**'s chief, John Reed, added a staggering $3 billion to his reserves against losses on loans to developing countries, mostly Latin American nations and the Philippines. His move triggered not only a $2.5-billion loss for Citi's second quarter but also a recognition among bankers that the time for facing the hopeless reality of Third World debt had come. Since then eight major banks, including **BankAmerica**, **Chase Manhattan** and **Chemical**, have upped their reserves against such loans by a total of $9 billion, creating a pool of some $6.5 billion in red ink for the latest quarter. Who's next? Of those that haven't yet taken their medicine, the five banks in the table below have the largest exposure to Latin American loans. To bring their reserves for losses up to 3.68% of all their loans, as Citicorp has done, the banks will need to add new reserves that total $2.5 billion. The table shows what earnings for each bank would look like were they to make those moves, as estimated by Keefe Bruyette & Woods, a brokerage firm that specializes in bank stocks. It's not a pretty picture, but Wall Street generally has bid up shares of banks that admit the debt problem by increasing reserves.

THE NEXT BULLET BITERS?

BANK	LATIN AMERICAN LOANS (billions)	NEW RESERVE NEEDED (billions)	ESTIMATED 1987 EARNINGS* (millions)
Manufacturers Hanover	$7.6	$1.0	($230)
J.P. Morgan	$4.6	$0.4	$730
Bankers Trust	$3.2	$0.4	$260
Continental Illinois	$1.8	$0.3	$0
Marine Midland	$1.8	$0.4	($100)

SOURCE: KEEFE BRUYETTE & WOODS
*After adding new reserves

Eddie's prices are insane. Is he?

■ Is it greed or plain looniness? Eddie Antar, a grammar school dropout, used the slogan "Crazy Eddie: His prices are insane" to expand his Brooklyn stereo shop into **Crazy Eddie Inc.**, the most powerful consumer electronics chain in the New York metropolitan market. He went public in 1984 and realized a fortune of $68 million. Late last year when pre-Christmas sales were looking less than merry, Antar, 39, sold one-third of his holdings for about $21 million, then disappeared. The rumor on Wall Street: He was ill, perhaps fatally so.

But in mid-May Antar resurfaced, linking up with the secretive Belzberg brothers of Canada to try to take his company private at $7 a share, about half the prevailing price when he sold. Houston-based **Entertainment Marketing Inc.**, an electronics distributor, soon mounted a rival bid at $8 a share.

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LETTERS

While I commend you for thorough research, I must express my shock, indignation, and anger over your photo of a 16-year-old African-American expectant mother with her distended stomach fully exposed. Nowhere in this culture is such a display considered acceptable or in good taste. The photo insults the dignity of motherhood—and of African-American women.

ATTAH-JUNDWE OBIAJULU
Westbury, New York

Leftists in the Liberal Arts

Re "Supermarket U." (Books and Ideas, April 27): The Carnegie Foundation's finding of a "broad decline in liberal arts majors" is not necessarily evidence that "students today are less interested in learning." Purposeful students may simply be selecting the majors that offer them the greatest future value and avoiding those likely to be taught by professors who are featured in articles about Marxism on campus. A student who seems to be uninterested in learning may in reality have recognized and avoided the flawed content of certain liberal arts courses taught by leftists.

FRED W. DECKER
Corvallis, Oregon

Mr. Decker served as U.S. Deputy Assistant Secretary of Education for Research and Improvement from 1981 through 1985.

Canterbury Tales for Managers

"Putting Managers in Pigeonholes" (Books and Ideas, June 8) discovers another flaw of slick management theories built on dichotomies and stereotypes. Real people are infinitely complex. Managers who doubt this should read Chaucer's *Canterbury Tales.* In it they'll get to know an illiterate purchasing agent who is excellent in his job, as well as an apparently successful merchant who is deeply in debt. As Chaucer knew, people do not behave in predictable ways. That office ne'er-do-well, for example, may well be the company's next fast-tracker.

JOHN K. CLEMENS
Associate Professor, Hartwick College
Oneonta, New York

A Brain Drain in Coffee Makers

We have posted "Business Goes to College for a Brain Gain" (March 16), which tells how four Ph.D.s from Rensselaer Polytechnic Institute designed a "better" coffee maker for Norelco, right above our Norelco machine. Now we know why the company produced this unmatched example of design incompetence. In addition to a slow brew rate, water leakage while brewing, and a stubborn automatic shut-off mechanism, the design features a carafe that dribbles no matter how you pour. Thanks to you, none of these flaws offsets the coffee maker's entertainment value. Whenever we ordinary engineers want to needle our high-browed academic colleagues, we ask a visitor to pour himself a cup of coffee. Then we hand him a towel and point to your article. It's our favorite pastime, and it never fails to produce a good-natured roasting of the Rensselaer Ph.D.s.

HENRY YUEN
Redondo Beach, California

Libertarians Must Be Heard

Re "Who's Ahead in the '88 Money Race" (June 8): I understand that former Congressman Ron Paul, who is running for the Libertarian party presidential nomination, has raised close to $200,000, more than many of the people on your list. Yet you did not mention Mr. Paul. I fail to understand how the democratic process is supposed to work when one of the parties on the ballot is not allowed the right to be heard.

L. A. NELSON
Huntsville, Texas

Corrections

FORTUNE's directory of the 50 largest diversified financial companies (June 8) should have included Commercial Credit as No. 34. The Baltimore-based company had 1986 assets of $4,863,800,000, revenues of $1,203,500,000, and net income of $45,900,000. In the same directory, revenues for Bear Stearns Cos., No. 10, should have been $2,163,923,000. Net income should have been $131,711,000, earnings per share $1.62, and net income as a percentage of equity, 20.2. ■

Address letters to FORTUNE, Time & Life Building, Rockefeller Center, New York, N.Y. 10020. Letters may be edited for purposes of clarity or space.

INVESTOR'S SNAPSHOTS

EXPLANATORY NOTES

SALES in the Investor's Snapshots elsewhere in the magazine exclude excise taxes. Instead of sales, assets are shown for commercial banking companies, diversified financial companies, life insurance companies, and utilities, and operating revenues for transportation companies.
NET PROFIT includes any extraordinary items. Where applicable, sales and net profit for past quarters are restated to reflect mergers, acquisitions, or divestitures.
RETURN ON COMMON STOCKHOLDERS' EQUITY is calculated for the latest four quarters after subtracting dividends paid on preferred stock from net income. The five-year average is based on the last five full fiscal years.
PRICE/EARNINGS MULTIPLE is based on earnings per share for the latest four quarters.
TOTAL RETURN TO INVESTORS includes stock price changes and assumes dividends are reinvested on the date paid.